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WAR FOOD ADMINISTRATION  
U. S. Food Distribution Administration  
Washington, 25, D. C.

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U. S. Department of Agriculture  
August 31, 1943

To: Members of Fruit and Vegetable Industry Advisory Committees

From: Ford A. Quitslund, Industry Relations Section, Fruit and Vegetable Branch

Subject: Excerpts from Minutes of Local Advisory Committee Meetings

As a matter of information, it is planned to supply mimeographed excerpts of minutes of meetings and other material at frequent intervals to the members of the National and Local Industry Advisory Committees.

The first meetings of committees in practically all the markets have been devoted principally to organization of the committees and to the issuance of formal invitations to other government agencies, such as the O.P.A., O.D.T., I.C.C., etc., to use the local committees as their industry contact. Therefore, no excerpts have been quoted from these minutes.

Copies of two letters, received from the O.P.A., replying to such invitations follow:

"Mr. W. H. Mosier  
Food Distribution Administration  
505 U. S. Post Office & Court House  
Cincinnati, Ohio

"Dear Mr. Mosier:

"This replies to your letter of July 6 in connection with the Cincinnati Fresh Fruit and Vegetable Industry Advisory Committee to the War Food Administration.

"You may rest assured that any cooperation which this office can render will be promptly forthcoming, if you will keep us advised how we can best serve the interests of your Committee.

"Several of the key men of this Agency have read your letter and thus have been duly notified of your activities. We shall be happy to have a representative of our staff present at all your meetings insofar as that is humanly possible. Please accept this letter as a personal invitation to visit our office at any time you find it convenient.

"Cordially yours,

"George E. McClellan  
District Director, O.P.A.  
Cincinnati, Ohio"

"Mr. O. G. Strauss  
U. S. Dept. of Agriculture  
Washington, D. C.

"Dear Mr. Strauss:

"This is in acknowledgement of your letter of August 10. I certainly welcome your letter and the offer of the advice and thinking of this very important committee.

"I hereby extend complete recognition of the activities of your agency, and assure you that the committee can feel free to call upon us at any time for representation at any of your meetings, or for consultations. The plan fits in splendidly with the plan of the Maryland State Office for setting up District Advisory Committees, and in this way prevent duplication.

"Kindly call me any time you have the occasion.

"Very truly yours,

"Leo H. McCormick  
State Director, O.P.A.  
Baltimore, 2, Maryland"

EXCERPTS FROM MINUTES OF CINCINNATI FRESH FRUIT AND VEGETABLE  
INDUSTRY ADVISORY COMMITTEE MEETINGS:

May 14, 1943:

"Motion made by Mr. Crosset, seconded by Mr. Sanzone, and carried:

'This committee go on record as insisting, for the time being, that all carlot or trucklot receivers of lettuce, peas, beans, carrots, tomatoes, spinach, and cabbage operate on a 9-1/2% basis, and if possible, should recommend to the proper departments in Washington that all other cities abide with the same mark-up, with the reservation if other markets do not go along, we reserve the right to withdraw our proposal.'

"Recommendation was made that O.P.A. enforce this ruling"

"Motion made by Mr. Price, seconded by Mr. Engelhardt, and carried, that:

'Any bag of cabbage weighing not less than 47 pounds, and not over 53 pounds gross, should be considered and billed as a "50-lb. bag" - and any bag of cabbage weighing less than 47 pounds or more than 53 pounds shall be sold at actual weight, and each bag tagged showing its actual weight.'

May 14, 1943 (Cincinnati -- Cont'd.)

"Motion made by Mr. Sanzone, seconded by Mr. Crosset, and carried, that:

'The committee goes definitely on record that no one in this industry require as a condition of sale that their customers purchase a commodity not desired in order to secure a commodity that is scarce.'

"Mr. Gentile made motion that our chairman, representing the committee, give the press the above statement. Motion seconded and carried."

July 2, 1943 (Cincinnati):

"The following resolutions were unanimously approved;

- "1. Request for recognition of committee by other government agencies.
- "2. Immediate steps be taken to wire Wm. H. Stanton, Washington, D.C., our objection to the price differential on Ohio and Kentucky potatoes as listed in Revised Potato-Onion Order MPR 271, Amendment 3.
- "3. Chairman Mosier to immediately notify the Local O.P.A. office of the necessity of policing the local homegrown market on East Pearl Street, where violations are being practiced, and later the wholesale homegrown City market at Twelfth & Central Parkway.
- "4. Request the Local O.P.A. office to cooperate with this committee by prosecuting violators whom this committee has tried to keep in line, but has failed.
- "5. That O.P.A. advise and consult with this committee, also produce facts pertaining to any violations before taking any legal action against any handlers of fresh fruits and vegetables in the Cincinnati area.
- "6. Copies of communications and complaints be sent to Dr. Wm. G. Neal, M. L. Allen, Chairman of the National Industry Advisory Committee, - the Washington and the local office of the interested agency."

SEP 6 1943



July 23, 1943 (Cincinnati)

"In addition to the entire committee, the following representatives of the Cincinnati Office of Price Administration were in attendance:

"Messrs. George E. McClellan...District Director  
Clarence Corbley.....Price Specialist  
Hugh Ritchey.....Chief Attorney  
Raymond Huwe.....Chief Price Attorney  
Dr. Harold Baker.....District Price Officer  
Thomas L. Conlan.....Chief Enforcement Attorney  
Joseph Osberger.....Merchandising Price Specialist

"After opening remarks by Mr. McClellan, stating that the local office of Price Administration appreciated this opportunity to formally recognize this committee, he requested Mr. Conlan, in charge of enforcement, to explain the position of O.P.A. in securing the necessary cooperation of the trade in carrying out the O.P.A. program. Mr. Conlan stated that without the cooperation of the trade, very little could be accomplished."

"..... the following resolutions were unanimously approved:

- "1. The chairman was ordered to petition the local office of Price Administration for a revision or amendment to MPR 426 regarding Appendix B, Cabbage - so that the same formula for pricing cabbage from July, 1943, to November 30, 1943, be applied, as during December 1, 1943 to June 30, 1944; namely, to be determined by freight rates from basing point to market.
- "2. The Chairman to appoint a committee to prepare a written objection to MPR 426 covering lettuce and cabbage, to be sent the local office of Price Administration; this objection to fully outline, by supplying facts and figures, the unfairness of this order as it applies to jobbers, carlot receivers, and carlot distributors, and the grave danger of the consumers being without the commodities when they reach ceiling. Another objection is the low price set on outside leaf lettuce. It was suggested that the committee rewrite the entire order, if necessary, to secure the desired relief."
- "3. Resolved that the local office of Price Administration be petitioned to give retailers the necessary relief on all price ceiling orders, permitting retailers to use their daily cost on all merchandise in applying their mark-up, rather than basing their mark-up on their largest single purchase during the preceding week."

Excerpts from Minutes of Meeting -- BOSTON FRESH FRUIT AND VEGETABLE  
INDUSTRY ADVISORY COMMITTEE

July 16, 1943

"A motion was made, seconded and carried, that a resolution be forwarded to Mr. Prentiss Brown, head of the O.P.A. outlining the faults and evils of the present system, and proposing improvements for same. For example, the present citrus ceiling regulation should be substituted for the MPR 426 scheme. This resolution was to emphasize the benefits of a change from the point of view of the consumer, and the elimination of the 'black market'.

"The chairman suggested that Messrs. Sweeney, Cook and Allen, get together and prepare, or at least outline a rough draft of the proposed letter, to which they agreed. It was further suggested that a copy of this letter be sent to each member of the committee, and to the trade associations in other cities."

Excerpts from Minutes of Meeting -- CHICAGO FRESH FRUIT AND VEGETABLE  
INDUSTRY ADVISORY COMMITTEE

July 27, 1943

"Mr. J. W. Fox stated that the committee, along with other merchants on the street, were opposed to the OPA Order No. 2774 - MPR 426, on lettuce and cabbage and presented the following resolution:

'Whereas OPA Order No. 2774 - MPR 426 on lettuce and cabbage placing ceilings at terminals only engenders and promotes black markets and forces legitimate distributors out of that business; and whereas the sale and distribution is thereby turned into the hands of the large retail chain store operators, thus eliminating the independent retailers, I move that this Chicago advisory group request the OPA to return to the method of placing ceilings on these commodities at both shipping and receiving points, allowing their usual markup for sale and distribution through the regular channels, and avoiding the monopoly of chain store distribution which will be detrimental to the shipper and no relief to the consumer.'

"A motion was made by J. W. Fox that this resolution be adopted, which motion was seconded by L. Gillarde. The motion on being put to vote was unanimously passed."

"A motion was made by L. Gillarde, seconded by J. W. Fox that a resolution be adopted providing that carlot receivers and brokers be allowed a 5% markup. This motion on being put to vote was unanimously passed."

July 27, 1943 (Chicago - Cont'd.)

"A motion was made by Mr. Chas. Abbate, seconded by W. A. Huizinga, that any ceilings established or that will be established in the future should be along the lines of the citrus order MPR 292 and all amendments thereto, and that the inequities of carlot receivers and brokers be corrected.

"Mr. W. J. Piowaty in talking on this motion suggested that each group be classified according to the method of doing business for the past five years, each one to be classed 'A', 'B', and 'C', according to the type of business they were doing.

"The discussion on Mr. Piowaty's suggestion brought out the fact that it would be impractical because there were firms operating on the street that could come under two or three of the classifications depending upon the nature of the transaction. It was the consensus of opinion of the meeting that the citrus order classifies each group and it was a matter of interpretation.

"The Chairman then called for a vote on the motion made by Mr. Abbate and seconded by Mr. Huizinga and the motion was passed by a majority vote. Mr. Gillarde did not vote with the understanding that he desired to first present this matter to the members of the carlot receivers and brokers association at a meeting to be called for Wednesday, and would then report back to the Chairman on the proposal and action taken."

Under date of July 29, 1943, Mr. L. Gillarde reported to the Chairman as follows: "This is to advise that after discussing with the carlot distributors the points taken up in our meeting with you yesterday, it is our opinion that we want to be in full harmony and agreement with the other members of the group and that we are agreeable to the structure employed in the establishment of citrus ceiling prices. It is understood of course that the percentages there employed are not applicable to vegetables, but that the plan as a whole is desirable."

"A motion was made by Mr. Engel, seconded by W. A. Huizinga, and unanimously passed that the following resolution be adopted:

'Whereas the United States Department of Agriculture is compelled under the base price program to buy potatoes from various loading sections of the country and that, so far, these potatoes have been improperly distributed causing terrific losses to the government, disruption of markets and waste.

'Be It Resolved that the original channels of private industry set up for the distribution of potatoes throughout the country be used, thereby avoiding disruption of markets and loss of millions of dollars worth of food, which is vitally necessary under the present war program.'"

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Excerpts from Minutes of Meeting -- NEW YORK CAPITAL DISTRICT FRESH FRUIT  
AND VEGETABLE INDUSTRY ADVISORY  
COMMITTEE

July 22, 1943

Re: Price Ceilings:

"The meeting reporting an expression of grower impact on price ceilings of all fresh fruits and vegetables; it was said that the growers, out of current marketing experience are revamping their customary plans for 1944 production in a way that will reflect a hardship on the consumer level and a shortage of vital commodities available to the armed forces, those of our allies and foreign allied populations that are destined to depend upon America for food.

"It is recognized by all channels of trade that in these perilous days, National Price Control must prevail, but no one agrees that price control should impair sufficient production. Related thinking suggests that there should be a more sharp definition of essential foods than what has already been set up and that there are commodities now under price regulation, entirely too sensitive to the elements, to assure staple or anticipated bulk and the meeting agrees that such commodities as berries should not be under price control at all and classified in the category of soft fruits.

"In view of the above consideration, it is urgently recommended:

- "1. That price ceilings on all fresh soft fruits for table use, including red raspberries, black raspberries, youngberries, loganberries, boysenberries, blackberries, gooseberries and sour cherries be removed and/or omitted from any consideration of impending regulations.

"We particularly stress urgent and immediate action be taken in view of existing black markets, mass non-compliance and impending shortage because the grower will not even continue to harvest current crops now standing in the fields.

- "2. In view of our obligation in the national economy to provide an essentially balanced diet to the American dinner table, our armed forces and our allies, and with the conviction that the natural distribution of availability of different commodities now under control might be disrupted and result in over-production on some, and scarcity in other farm grown commodities, as a reflection of existing maladjustment in price regulations, it is urgently recommended that -- after reflection on experience up-to-date, all price schedules be reviewed and revised to encourage more even flow from the producer level to a point of greater maximum and the anticipated greater demand that will be made of production in our current and subsequent obligation to our allies, and the grower afforded the means to compete in the labor market with defense industries.

"The foregoing resolution was unanimously adopted."

Excerpts from Minutes of Meeting -- EASTERN SHORE OF VIRGINIA AND MARYLAND  
FRESH FRUIT AND VEGETABLE INDUSTRY  
ADVISORY COMMITTEE

July 13, 1943:

"Resolved: That this committee recommends to the U. S. Department of Agriculture that all governmental purchases of agricultural produce or crops grown on the Eastern Shore of Virginia or Maryland be made solely through a grower, group of growers, dealers, firms, and organizations whose regular place of business has been established and their business operated on the Eastern Shore of Virginia or Maryland.

"The committee also offered the following: Information being at hand that the government was already buying U. S. No. 1 Size B Irish Potatoes on the Eastern Shore of Virginia, the committee approved a resolution that this buying be done by any grower, group of growers, dealers, firm and organization whose regular place of business has been established and operated in the area in which buying is taking place, provided that such recommended sellers can qualify financially and otherwise to render the necessary service.

"The committee recommended in connection with government purchases of U. S. No. 1 Size B Irish Potatoes that a service charge of 5¢ per cwt. or 8¢ per barrel, plus inspection and fumigation charges as incurred, should be paid to the grower or dealer assuming responsibility, billing and payment for the car. The committee believes that this is the lowest possible charge that can be made without loss to the handler."

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Excerpts from Minutes of Meeting -- BALTIMORE FRESH FRUIT AND VEGETABLE  
INDUSTRY ADVISORY COMMITTEE

August 24, 1943

The following resolutions were unanimously approved:

"Whereas (1) Temporary MPR 29 set a price of \$1.89 per bushel on spinach evidently intended to cover nearby spinach in bushel baskets; (2) shipping season from Adirondack Mountain section (shipping point Malone, New York) is of a much higher quality and grade than nearby spinach; (3) Adirondack Mountain section spinach is usually shipped in Los Angeles crates containing minimum net weight of 37 pounds; (4) Adirondack Mountain section spinach is trimmed, graded, culled, and washed, and ready for cooking when shipped; (5) the base price of \$1.89 per bushel (net weight 16 pounds) will result in a much lower price on the Baltimore market for Adirondack Mountain section spinach than received in normal years; and (6) if no increase in price is granted to the Baltimore market to apply to Adirondack Mountain Section spinach, it will result in no spinach on the

August 24, 1943 (Baltimore - Cont'd.)

market from that section. Be it resolved, that, the Office of Price Administration be requested to grant immediate relief in that matter.

"Whereas (1) the base price of \$3.25 Salinas, California, including initial icing under MPR 426 results in a cost of \$4.89 per crate Baltimore, Maryland, made up of base price \$3.25, buying brokerage - 10¢, additional icing in transit - 10¢, freight - \$1.40, and tax - 4¢; (2) buyer assumes all transit risk, purchase being made acceptance California; (3) Some shippers are demanding \$3.00 f.o.b. shipping point plus entire refrigeration cost which results in a price of \$4.99 Baltimore; (4) MPR 426 sets a maximum price of \$4.69 Baltimore on carlot and trucklot sales resulting in an actual loss of 20 to 30 cents per crate on sales of this nature; (5) At a cost of \$4.89 in Baltimore, it is necessary often to add additional icing, and the local drayage charge from the rail terminal of 10¢ per crate; (6) Small retailers generally do not buy a full crate of lettuce but purchase in lots of two or three dozen heads resulting in an additional labor and container expense; (7) on an investment of approximately \$5.05 by the first wholesaler in Baltimore, a maximum price of \$5.29 delivered to retailer is not a fair return, and (8) this condition can only compel movement of this commodity into the 'black market'. Be it resolved, that the Office of Price Administration be requested to grant immediate relief by permitting a fair margin of profit to the first wholesaler in carlot and trucklot, less-than-carlot and less-than-trucklot sales, and a fair margin of profit to one jobber in less-than-carlot and less-than-trucklot sales.

"Whereas (1) supplies of dry onions on the Baltimore market have been seriously reduced; (2) maximum prices, f.o.b. country shipping point are apparently not being generally observed; (3) the present maximum price has apparently not taken under consideration the increased cost of production or the reduced crop due to weather conditions, and (4) a large percentage of this commodity appears to be moving in the 'black market'. Be it resolved, that, the Office of Price Administration review this condition immediately, and take such necessary steps to correct conditions.

"Whereas (1) supplies of cabbage on the Baltimore market have been seriously reduced; (2) Maximum prices, f.o.b. country shipping point are apparently not being generally observed; (3) the present maximum price has apparently not taken under consideration the increased cost of production or the reduced crop due to weather conditions, and (4) a large percentage of this commodity appears to be moving in the 'Black Market'. Be it resolved, that, the Office of Price Administration review this condition immediately, and take such necessary steps to correct conditions.

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Excerpts from Minutes of Meetings -- EASTERN SHORE OF VIRGINIA AND MARYLAND  
FRESH FRUIT AND VEGETABLE INDUSTRY  
ADVISORY COMMITTEE

August 19, 1943

The following resolutions were unanimously approved:

- "1. Resolved, that the Committee recommends that no ceiling prices be established by the Office of Price Administration for sweet potatoes, so that growers will be more inclined to dig earlier, thereby marketing the crop from as large an acreage as possible during the first part of the harvesting season, which would (a) necessitate the use of a much smaller number of containers and (b) lessen the surplus that the Food Distribution Administration will probably be called upon to purchase.
- "2. Resolved, that the Food Distribution Administration be requested to set support prices for sweet potatoes packed in barrels, at prices comparable to announced prices for sweet potatoes packed in baskets and/or other containers.
- "3. Resolved, that while the Food Distribution Administration has announced support prices for sweet potatoes of (a) U. S. No. 1 grade and (b) U. S. No. 2 grade containing 75% or better of U.S. No. 1 quality, growers should be encouraged to pack, for the fresh market, only sweet potatoes grading not lower than U. S. No. 1, and that where same are packed in baskets, hampers or crates, the pack should be 'tight' - and 'faced' if possible, since this is necessary before sweet potatoes can properly be marketed commercially.
- "4. Resolved, that every effort should be made by the Food Distribution Administration to enlarge the outlets for 'canning stock' sweet potatoes, so that a minimum amount of sweet potatoes grading 'U. S. No. 2 containing 75% or better of U. S. No. 1 quality' will have to be purchased by the Government.
- "5. Resolved, that the Food Distribution Administration be requested to have a Purchase Program worked out and representatives in the field, ready to act, well in advance of the actual time when Government buying may be necessary."